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A report to
Dr. Frank J. Goodnow...

Baltimore

1916

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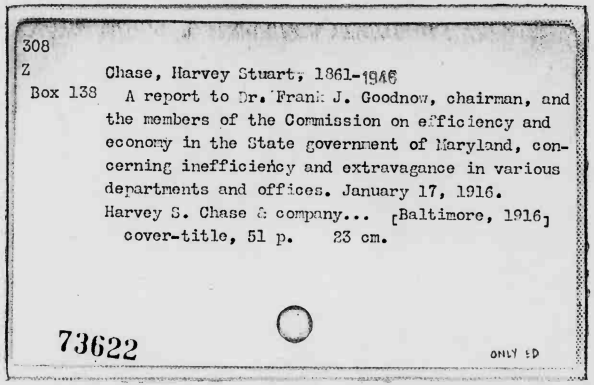
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A REPORT

TO

DR. FRANK J. GOODNOW, Chairman

AND THE

MEMBERS OF THE COMMISSION ON EFFICIENCY AND ECONOMY

IN THE

STATE GOVERNMENT OF MARYLAND

CONCERNING

INEFFICIENCY AND EXTRAVAGANCE IN VARIOUS DEPARTMENTS AND OFFICES

JANUARY 17, 1916

HARVEY S. CHASE & COMPANY
Certified Public Accountants
84 State Street, Boston

THE SUN BOOK AND JOB PRINTING OFFICE INC., BALTIMORE

Md 9/3/23

HARVEY S. CHASE & COMPANY
Certified Public Accountants
84 State Street - Boston, Mass.

Baltimore, Md., January 17, 1916.

Dr. Frank J. Goodnow, Chairman, and Members of the Commission on Efficiency and Economy in the State of Maryland.

Dear Sirs:

In accordance with your instructions we have investigated the accounts and methods in various departments, bureaus and offices of the State Government of Maryland. We have had in view, as you requested, the determination of questions relating to the relative efficiency of the administration and of the labor in these offices, as well as to the economy, or otherwise, of the expenditure of money, the incurring of liabilities, and the regulation and discipline of the personnel.

We submit herewith a series of reports upon these various offices, each set forth as briefly as possible with due regard to the requirements. We are prepared to support these recommendations by data in much detail and will do so at meetings of the Commission when requested. We have excluded these voluminous data in order not to congest this report.

The departments and offices to which we now refer, among others, are: The Commissioner of Motor Vehicles, the State Roads Commission, the Insurance Commissioner, the Board of Health, the Live Stock Sanitary Board, the Bureau of Immigration, the Bureau of Statistics, the State Industrial Accident Commission, the Fire Marshal, the State Wharfinger, the Vaccine Agent, the Boiler Inspectors, the Game Warden, the Shellfish Commission, the Fish Commissioners, the Measurers and Inspectors of Oysters, the Oyster Navy and the Ten-Hour-Law Bureau. Also we have investigated questions relating to costs of rent of offices and of insurance on State prop-

erty, as well as to the extraordinary conditions concerning interest on deposits and to delayed collections into the State Treasury.

In General.

Before setting forth our conclusions on each of these offices in detail I feel that we should point out a fundamental trouble which lies at the bottom of the inefficiency and lack of economy in the State Government of Maryland. We have now been engaged in studying the accounts and affairs of the State for some nine months—as we began investigations under an agreement with the State Comptroller and the State Treasurer in April, 1915, and reported to them in June, 1915, concerning the financial condition of the Treasury as of October 1, 1914. We have also been Auditors of the City of Baltimore for two years, 1914 and 1915, so that we are familiar with the conditions in both the State and the City.

It is evident from our investigations, extending over the period mentioned, that a wholly unimportant effect will be produced if the attention of your Commission and the Legislature is confined solely to the detailed recommendations which we set forth in this report. While these recommendations should have attention, and should, in our opinion, be carried out by executive order, or if necessary by legislative action, such action alone will not go to the bottom of the trouble. Even if the present conditions in regard to these particular offices are remedied, there will yet remain the overhead conditions which permit, if they do not stimulate, the inefficiencies and extravagances which our detailed reports exhibit.

Although we were originally retained by the State Comptroller and by the State Treasurer, and have recently been retained again by the State Comptroller and by your Commission, yet it is no more than a commonplace to state that as expert investigators of the conditions in the State Government our professional duty is to the people of Maryland and not, primarily, to any official of the State Government.

The conditions which our detailed reports show, relating especially to the large amounts of State moneys kept on deposit to the credit of various departments and officers of the Government outside of the State Treasury, are conditions which do not ordinarily tend toward efficiency or fidelity in the operations of the State. Each board or office which retains money which ought to be paid over to the State Treasury, even though it may handle this money with the utmost fidelity, is establishing a precedent and offering a temptation to subsequent officers which they may not be able to withstand. It is a financial absurdity that there should be in subordinate departments of the State Government large sums of money on deposit in banks outside of and not subject to the control of the State's fiscal officers. It is still more absurd when, as was the case at the end of the last fiscal year, a deficit was shown to have been incurred in the "dedicated funds" in the Treasury of the State, whereas at the same time there was in these various subordinate boards and departments of the Government more than enough money to have made good this deficit. In our report to the Comptroller of the Treasury dated December 15th, 1915, we showed this deficit in the dedicated funds to have been $171,868.11 on October 1st, 1915. In addition to this deficit in these special funds, there were unpaid appropriations from general funds due to hospitals, institutions, universities, etc., amounting to $1,274,687.70.

In our investigations recently we have found that on September 30th, 1915, there were in these various outside offices, or on deposit by them in sundry banks, sums amounting to not less than $1,695,000, of which nearly $180,000 would have been available to offset the deficit of $171,868.11 in the dedicated funds.

Practically all of these moneys should have been in the general Treasury of the State of Maryland on October 1st, 1915, and if they had been in the Treasury there would have been no deficit in the "dedicated funds," although there would have remained, of course, the deficiency of cash to meet the obligations due to various institutions in the general fund, amounting to more than a million and a quarter of dollars.

Concerning some of these departments the law specifically states that balances of cash on hand in those departments shall be paid over to the State Treasurer every month. We exhibit here a table showing the amounts of money held in banks by one of these departments during the past fiscal year as an illustration of what is being done in direct contravention of the law in the case.

MONTHLY BALANCES CARRIED ALONG BY A DEPARTMENT, ALTHOUGH THE LAW STATES SPECIFICALLY THAT THEY SHALL BE PAID INTO THE GENERAL TREASURY.

Date. End of—		Balances of Cash in Banks.
May,	1914	$60,208.27
June,	"	75,840.09
July,	"	89,779.96
August,	"	96,596.25
September,	"	92,802.99
October,	"	97,829.76
November,	"	99,516.77
December,	"	154,757.06
January,	1915	212,243.84
February,	"	205,271.90
March,	"	195,859.27
April,	"	52,683.86
May,	"	87,211.83
June,	"	109,777.54
July,	"	127,858.01
August,	"	141,113.93
September,	"	151,150.87
October,	"	158,335.21
November,	"	161,549.54
December,	"	248,540.31

We exhibit also (on page 37) a similar statement for another department showing the monthly balances of cash on hand. Although the requirement of law in this case is that a settlement with the Treasury shall be made by the end of the fiscal year, yet it is evident that the law ought to require in every case that all receipts by sub-departments of the Government should be immediately paid into the Treasury at Annapolis, or deposited in the Treasury's banks; that there should be no delay whatever about paying-in these collections; and if there are necessities for certain amounts of money to be retained by the offices which do the collecting in order to make change and

for other requirements, a special fund should be arranged for each of them which should be in the nature of an advance to that department by the State Treasurer for these purposes, payments therefrom to be accounted-for monthly by regular vouchers sent to the Treasurer which would be paid immediately by him and the fund in each of the offices be thereby reimbursed.

From a financial viewpoint present conditions are dangerous, and from a political viewpoint they are demoralizing. They should be changed immediately through enactments by the Legislature and through action by the Executive. It has been said in extenuation of holding back deposits from the Treasury that the latter has failed to get rates of interest on deposits which were as high as they should be, and that the State has profited considerably by higher rates upon the moneys withheld in these departments. This brings us to the crux of the whole matter, namely, inefficiency in past administrations of the Treasury Department of the State of Maryland as conducted by law and custom.

THE OFFICE OF COMPTROLLER OF THE TREASURY.

The office of Comptroller of the Treasury under present laws has been and must be insufficient and ineffective—nothing else could be expected under the circumstances. The Comptroller of the State of Maryland has never, so far as we are informed, been an official who has given all of his services—and these should be expert services—to the financial affairs of the State and to the control of its accounts and financial bookkeeping. He has been for years, as far back as we have gone in our investigations, without real authority and without corresponding responsibility. The Legislature has paid little attention to any Comptroller's recommendations, and less to the statements in his annual reports. The present unfortunate conditions have come upon the State's finances in considerable part because the highest financial officer of the State's Government has not had proper authority nor been held to proper

responsibility heretofore. If the office of Comptroller in the past had been one of responsibility and authority, the State could never have gotten into the financial slough in which she now finds herself. We are of course concerning ourselves with the office, not with the personality of any incumbent.

The State Treasurer.

It is much the same with the office of State Treasurer. The latter official is primarily the cashier of the State, while the Comptroller is primarily the accounting officer. The Treasurer has immediate control of the cash and funds of the State, and if he had authority, and if there had been vigor in the direction of this office, there would never have arisen the conditions whereby money is delayed on its way to the Treasury of the State in the fashion which we exhibit in our detailed reports herein. It is absurd and humiliating that the first fiscal officer of Maryland should be compelled, or should be permitted, to give a large part of his time to matters outside of his official position. This being the case, it is impossible that the duties of his position can be performed as they would be performed if the demands of law were such that the Treasurer were required to be an expert fiscal officer, giving all of his time effectively to the service of the State of Maryland.

The Primary Difficulty.

The fundamental trouble, therefore, in the fiscal concerns of the State is not so much in the sub-departments and the small offices which we set forth hereinunder, but is mainly in the inadequate requirements of law pertaining to the two most important financial officers, namely, the State Comptroller and State Treasurer. Until the present provisions of law are changed, and until these two officers become active and expert in their respective businesses, we shall never be able to get that efficiency and economy in the public service which it is the aim of your Commission to provide.

What is Needed.

A competent, expert, State Comptroller should be worth to the State of Maryland at least five thousand dollars a year. He should save that sum to the State many times over in a year. He *would* save it if the right man gave his actual time to the job and had the necessary authority to hold up every doubtful claim against the Treasury until its legality and necessity were established; if, further, he had the authority to compel all collections by sub-departments or offices to be immediately paid in to the State Treasury; and if also he had authority to instruct the State Auditor to make examinations of the accounts, vouchers and affairs of any office, whenever it was advisable to do so, and to report in full thereon to him or to the Governor. The Comptroller should be an expert accountant, or at least should be thoroughly familiar with accounts and with bookkeeping in all its branches, and should prescribe and insist upon accurate and prompt accounting in all departments, uniform in classifications and in methods so far as practicable.

The State Comptroller should be "on the job" at Annapolis all the time, and should be constantly engaged in improving, in clarifying and, so far as possible, in simplifying the accounting methods in all of the departments, making each of them subject to "controls" in the Comptroller's own books. He should publish monthly, as soon as practicable after the first of the month, a four-page statement exhibiting the current assets and liabilities of each of the State's funds, including the general fund, and should present also the transactions (receipts and payments) in each of these funds during the past month as well as during the fiscal year to date. These monthly statements should be submitted to the Governor and to the Legislature and should be printed in the newspapers regularly. An act, or acts, embodying these requirements should be laid before the General Assembly immediately.

Similarly, the State Treasurer should give all his time to the service of the Treasury, and should be relieved of all other

duties. He should be responsible for each of the funds and for their balances. He should calculate and keep close watch upon the sinking-funds. He should deposit the funds of the State in those banks which bid the highest price for their use—other things being equal—and he should see that all moneys due to the State are promptly collected and are immediately made available by transmission to the Treasury and by deposit in bank.

The Treasurer's books should not be duplicates of the Comptroller's books; they should have the same totals so far as cash is concerned, but in each set of books there should be "controlling accounts," each of which would summarize a series of detailed accounts in the other set of books, thus eliminating duplication in detail. This method is entirely practicable, we have introduced it in many large cities with marked success, and it is the ordinary method in large commercial corporations.

Commendation as Well as Criticism.

We should not stop in our comments on the Treasury offices without acknowledging heartily the excellent work in the detailed bookkeeping and the honesty of purpose displayed through many years by the Comptrollers, Treasurers, Chief Clerks, and the personnel generally. The troubles have arisen from the law and from custom rather than from defects in the working force. It is certain that the State Government could not have been run at all under the discouraging conditions of the past if there had not been intelligent, industrious, and self-sacrificing men filling the offices of chief clerks in these departments. We wish to commend particularly the effective labors of Mr. Harry J. Hopkins, upon whose shoulders for many years has fallen the brunt of serious responsibility for keeping the Treasury's accounts straight and workable. He—and there are others like him—has accomplished his task amid many discouragements and he deserves great credit; indeed, he is given credit by all persons who are intimately acquainted with the difficulties of Treasury activities in the past.

RECOMMENDATIONS CONCERNING STATE OFFICES IN DETAIL.

Commissioner of Motor Vehicles.

This office was created by Chapter 207 of 1910. The Commissioner is appointed by the Governor for two years, commencing on the first Monday in May, the salary being $3,000. The term of the present incumbent expires next May. The Commissioner gives a bond for $20,000 or such additional sum as the Governor may require. The bond now in force is for $20,000. The Commissioner appoints such assistants at such salaries as he may deem advisable, subject to the approval of the Governor. On the last day of April in each year he is required to file with the Governor an account of the receipts and disbursements of his office.

The main office is in Baltimore, and by Chapter 68 of 1912 a branch was authorized in Washington. The salary of the branch agent is $1,500, and by Chapter 576 of 1914 $600 was allowed for expenses of the branch, including additional clerical help.

The Commissioner issues all license tags for automobiles and motorcycles, the charges for which range from $25 per calendar year for pleasure cars of more than 40 H. P. to $1.80 for motorcycles. These charges are reduced proportionately for fractions of the year. He also examines applicants for operators' and chauffeurs' licenses, the fees for which are $5 for chauffeurs, $2 for operators of automobiles and $1 for motorcycles. By Chapter 564 of 1914 the Commissioner was authorized to appoint deputies with motorcycles to enforce the motor vehicle and traffic laws at a cost not to exceed $5,000 per annum. By Chapter 422 of 1914 the Commissioner was authorized to erect guide posts and danger signals along the public highways at a cost not to exceed $1,000 in any one year.

Expenses of Office Paid from Receipts.

The salaries of the Commissioner and his assistants, together with all office and other expenses, including Commissioner's bond, maintenance of Washington office, enforcement of motor vehicle and traffic laws and erection of guide posts and danger signals, are paid out of the receipts of the office.

To Turn Collections into Treasury Monthly.

The Commissioner is required by law to transmit on the first of each and every month to the State Treasurer such moneys as may not be needed for the expenses of his department.

Treasury to Create Special Fund.

The Treasurer is required to credit all moneys received from the Commissioner to a special fund, one-fifth of which shall be paid on April 1st of each year to the Mayor and City Council of Baltimore to be used on the City's roads and streets. The remaining four-fifths are to be used for the oiling, maintenance and repair of the modern roads built by the State and Counties and for no other purpose.

Volume of Business.

The total numbers of motor vehicles and operators' licenses issued during the calendar years of 1913, 1914 and 1915 were as follows:

Licenses Issued.

	1913.	1914.	1915.
Pleasure Cars	12,997	18,238	27,858
Merchandise Cars	1,221	1,887	3,189
Dealers' Cars	815	948	1,341
Motorcycles	2,839	3,888	4,750
Operators (Approximately)	9,179	14,122	20,494
	27,051	39,083	57,632

Receipts.

The total amounts of money collected by the office during its fiscal years (ending May 1) were as follows:

	Ending May 1, 1913.	Ending May 1, 1914.	Ending May 1, 1915.
Vehicle Licenses	149,696.00	201,545.62	304,981.20
Operators' Licenses	21,045.00	28,036.00	43,785.00
Fines	2,766.70	2,296.21	6,844.99
Duplicate Tags	190.55	189.14	160.80
All others	998.45	1,889.09	2,504.69
Totals	174,696.70	233,956.06	358,276.68

Expenses.

The costs of the administration of the department for the fiscal years covered by the receipts set forth above were as follows:

Expenses of the Office Proper.	Year Ending May 1, 1913.	Year Ending May 1, 1914.	Year Ending May 1, 1915.
Salaries, including extra clerical help	$9,253.04	$9,809.61	$10,326.20
Tags	4,232.07	6,996.98	6,733.94
Stationery, postage, telephone, rent, official bonds, comsr's expense and miscellaneous	4,916.51	3,470.68	3,267.09
Printing, including monthly list	2,909.86	3,244.81	4,637.88
Maintenance Washington Office	1,500.00	1,500.00	2,227.00
Total office expenses	$22,811.48	$25,022.08	$27,192.11
Expenses Other Than Office.			
Commissioner's Auto	$828.72	$1,261.00	*$3,347.61
Motorcycle Deputies, including expense motorcycles	217.50	783.58	5,593.95
Danger Signals	.....	.....	1,388.45
Special Deputy and Investigations	.....	.....	1,641.83
Total expenses	$23,857.70	$27,066.66	$39,163.95

*Includes $1,200 for exchange of car.

Office Salary Roll.

The salaries of the office staff are as follows:

Commissioner	$3,000
Chief Clerk	1,800
Clerk	1,300
Clerk	1,200
Clerk	1,000
Two Stenographers, at $900 each	1,800
Total	$10,100

Motorcycle Deputies.

Motorcycle Deputies were authorized by Chapter 564 of 1914 to enforce the traffic laws. Five men are usually employed in the summer and three in the winter. They receive $75 a month salary, are provided with motorcycles (including upkeep), and the deputy on the Eastern Shore is allowed his living expenses. The total cost of these men for the year ended April 30, 1915, was $5,593.95.

Special Deputy.

Last year a special Deputy was appointed to make various investigations outside of the office in connection with the laws which the department administers. He receives a salary of $1,400. The total expense on this account last year was $1,641.53.

Publication of Licenses Issued.

In 1912 (Chapter 133, Sec. 138a) the General Assembly passed an Act requiring the Commissioner to publish monthly and quarterly a complete list of all persons to whom licenses had been issued, including make of machine, etc., and to supply police officials and sheriff with copies thereof. The number of copies printed of the monthly issue during 1915 ranged from 1,000 for January to 100 for December, the average number being 380; the average number of the quarterly issue was 400.

The cost per page was $1.85 (size of page 4x6½), and the total cost was $3,505.75 during 1915. This publication, which is in considerable demand by dealers in automobile accessories, is distributed free of charge.

We recommend that copies be only furnished free to public officials, and that a reasonable subscription price be charged to all others who desire copies of it.

Annual Reports.

The Commissioner has three different annual periods for which he makes reports:

To the Comptroller—Summary of Net Receipts, April 1-March 30.

To the Governor—Report of Receipts and Disbursements, May 1-April 30.

License Year—January 1 to December 31.

Report to Governor May 1-April 30, 1915.

The following figures are taken from the last report submitted to the Governor for the year ended April 30, 1915:

Cash on hand May 1, 1914	$34,196.37

RECEIPTS.

Pleasure Vehicles	$293,416.95
Passengers	1,538.20
Merchandise Cars	6,658.26
Dealers	7,193.75
Motorcycles	6,102.70
Motorcycle Dealers	71.34
Motor Vehicle Operators	18,094.00
Professional Chauffeurs	23,642.00
Motorcycle Operators	2,049.00
Fines	6,844.99
Duplicate Tags	160.80
Interest on Deposits	2,504.69
Total receipts	$358,276.68
Less Licenses and Fines	4,768.97
	$353,510.71

DISBURSEMENTS.

Salaries	$11,106.20	
Office Expenses (Printing, Stationery, Postage, Telephone Expenses)	3,380.07	
Commissioner's Expenses	562.15	
Official Bonds (Premium)	185.25	
Registration Tags	6,733.94	
Pub. Laws and monthly list	3,777.50	
Exchange and Maintenance Auto	2,567.61	
Maintenance Washington Office	2,227.00	
Motorcycle Deputies	5,593.95	
Special Deputy and Investigations	1,641.83	
Danger signs	1,388.45	
Total Expenses	$39,163.95	
Excess of receipts over expenses		$314,346.76
Total to account for		$348,543.13
Remitted to State Treasurer		295,859.27
Balance in Commissioner's hands May 1, 1915		$52,683.86

Failure to Turn in Collections Promptly.

It will be recalled that the law requires that the Commission "shall transmit on the first day of each and every month such moneys as may not be needed to carry out the provisions of this sub-title" (Motor Vehicles); in other words, that all moneys collected shall be remitted the State Treasurer, each month, retaining only enough to meet the estimated expenses during the following month. The following exhibit displays the gross failure to comply with this provision of the law:

1914.	Balance at Beginning of Month.	Receipts.	Disbursements.	Remitted State Treasurer.	Balance at End of Month.
May	$34,196.37	$30,028.35	$4,016.35	.....	$60,208.27
June	.....	19,157.07	3,525.25	.....	75,840.09
July	.....	16,756.25	2,816.38	.....	89,779.96
August	.....	10,512.34	3,696.05	.....	96,596.25
September	.....	9,125.02	2,918.28	$10,000.00	92,802.99
October	.....	7,617.28	2,590.51	.....	97,829.76
November	.....	4,541.16	2,854.15	.....	99,516.77
December	.....	58,337.49	3,097.20	.....	154,757.06
1915.					
January	.....	88,146.23	5,659.45	25,000.00	212,243.84
February	.....	17,374.32	4,346.26	20,000.00	205,271.90
March	.....	39,740.49	4,153.12	45,000.00	195,859.27
April	.....	56,940.78	4,256.92	195,859.27	52,683.86
Totals	$34,196.37	$358,276.68	$43,929.92	$295,859.27	$52,683.86

May	$52,683.86	$39,962.79	$5,434.82	.....	$87,211.83
June	.....	26,335.17	4,269.46	.....	109,777.54
July	.....	23,527.32	5,456.85	.....	127,858.01
August	.....	16,353.42	3,097.50	.....	141,113.93
September	.....	13,911.06	3,874.12	.....	151,150.87
October	.....	10,690.25	3,505.91	.....	158,335.21
November	.....	6,705.26	3,490.93	.....	161,549.54
December	.....	130,084.90	3,094.13	$40,000.00	248,540.31
Totals	$52,683.86	$268,080.17	$32,223.72	$40,000.00	$248,540.31

Turned in in January, '16, up to 10th, inclusive. $110,000.00

From the foregoing it will be observed that, notwithstanding the mandatory provision of the law, large sums were retained by the Commissioner for months without any return to the Treasury. That on September 1st, 1914, he had, by failure to make any returns on his collections since April 1st, accumulated over and above his expenses $96,596.25, and that of this sum he remitted the Treasurer during September only $10,000, and made no further remittance until after January 1st, 1915, when $25,000 was remitted out of funds on hand of $154,757.06. In April, 1915, it being the end of the year, a full settlement was made when $195,859.27 was turned in. No further remittances were made until December, 1915, when $40,000 was turned in out of an accumulation of $161,549.54, and in January, 1916, up to this writing (January 14th) $110,000 has reached the Treasury out of $248,540.31 on hand the first of the month. It will also be observed that during all of this period (20 months) the average monthly expenditure has been above $3,500 and that the highest amount in any one month was $5,659.45 (July, 1914). This money is kept on deposit in about a dozen banks scattered throughout the State, we understand is all secured by Surety Company bonds, and that the banks pay 2½% interest on the balances—but it is not in the State Treasury, where the law says it should be.

Limitation on Expenditures.

The only limitation upon the expenditures of the department are those for office salaries, which must be approved by the Governor; the maintenance of the Washington Branch,

$2,100; motorcycle deputies, $5,000, and guide posts and danger signals, $1,000; for all other purposes there is no limitation upon the amount or character of the Commissioner's expenditures. These vouchers (other than office salaries) do not require any approval, and they are not filed with the Comptroller, but are retained in his own office. It seems manifest that the whole method of financing the office is wrong, and is not conducive to economy or efficiency.

We therefore recommend that if the present organization be continued, the law be amended to provide a definite appropriation for the conduct of the office, and that all moneys collected, less any refunds, be turned in in full promptly each month.

Proposal to Have State Roads Commission Collect License Revenue.

We understand there has been some discussion as to the advisability of turning the collection of the licenses over to the State Roads Commission, in view of the fact that a large proportion of the receipts are turned over to and expended by the State Roads Commission.

Savings.

A considerable saving in expenses could be effected by such a change. Taking the figures from the Commissioner's report to the Governor for the year ended April 30th, 1915, the following items would be wholly or largely eliminated:

Commissioner's Salary	$3,000.00
Telephone Service	402.53
Automobile Expenses, including Chauffeur	2,147.61
Commissioner's Official Bond	47.50
Commissioner's Expenses	562.15
Special Deputy	1,641.83
Total	$7,801.62

It is altogether likely that some savings could be effected on the expense for motorcycle deputies enforcing the traffic

laws through the utilization of some of the State Roads Commission's field force. The present law authorizes an expenditure of $5,000 annually for this purpose.

Criticisms Not Limited to Present Commissioner.

The criticisms which we have made on the manner of withholding money from the Treasury do not apply wholly to the present Commissioner, as we are informed that the same method was pursued by the previous incumbent.

Efficiency of Office.

The office organization appears to be very efficient, an excellent system has been recently installed for recording and indexing all licenses issued, and there seems to be a thorough check on the cash collected. The efficiency of the office organization is more manifest by the fact that during the year ended April 30th, 1915, the receipts and number of licenses issued were about 53% greater than during the previous year, while the increase in the office payroll was only 5% and in the total office expenses about 8%.

The Bureau of Immigration.

This Bureau was established in 1896 under the provisions of Chapter 295, Acts of 1896, for the purpose of encouraging immigration from Europe to Maryland, the act taking effect from May 1st, 1896, and the appropriation of $5,000 each year being effective as of that date. Chapter 323 of 1898, the omnibus appropriation bill, contained appropriations for this Bureau covering the regular fiscal years (October 1st to September 30th) of the State, and since then the regular appropriation bills as passed by each Legislature have contained the appropriations for this Bureau.

The Governor, by and with the advice of the Senate, appoints every two years a board of three members, one acting as presi-

dent and one as State superintendent of immigration, to serve from May 1st. The superintendent received $2,000 a year and the other two members $500 each with an allowance of $10 each for expenses attending board meetings. The secretary receives $1,200 a year.

Ever since the board was organized in 1896, it has been the custom to set up on their books as of May 1st the appropriation which is not now legally available until October 1st following. Warrants are drawn against this and, as they will not be honored by the State until after October 1st, are discounted by some bank and held until they are paid. The discount thereon is set up on the books as an item of expense against the appropriation, amounting to $50.67 for the year May 1st, 1913, to April 30th, 1914; $80.00 for the year May 1st, 1914, to April 30th, 1915, and $134.06 from May 1st to October 31st, 1915.

It would appear that the present board and, from what we can learn, previous boards had, on account of the fact that the warrants were discounted and were not presented to the State for payment until a much later time, some knowledge of the date on which the appropriation was actually available, namely, October 1st of each year. The custom has continued so long, during which time no inquiry has been made or question arisen concerning the right to do so, that each board appears to have thought it was justified in continuing this method.

The practice had so grown that the board whose term expired April 30th, 1912, not only had expended on that date the entire appropriation for the year ending September 30th, 1912, but left additional obligations amounting to $600 to be met by the present board, which in turn has continued during nearly four years' administration the custom of former boards, with the result that the statement of receipts and disbursements (May 1st to October 31st, 1915) contained in the board's report for the two years ending October 31st, 1915, shows that warrants for $6,600 had already been drawn against the appropriation of $15,000 shown on the State Comptroller's books as

available for the year October 1st, 1915, to September 30th, 1916 (Chapter 389, 1914), as follows:

Appropriation for State fiscal year (October 1, 1915, to September 30, 1916) shown on books of Bureau as of May 1, 1915		$15,000.00
Warrants drawn by Bureau May 1 to November 1, 1915	$6,900.00	
Less warrant on balance of 1915 appropriation on Bureau's books May 1, 1915	300.00	6,600.00
Remainder of appropriation in Treasury as shown by their books		$8,400.00

On the other hand, the books of the State Comptroller show this condition:

1915.		
Oct. 1.	Balance carried forward	$675.00
Oct. 1.	Appropriation (Chapter 389, 1914)	15,000.00
	Total available	$15,675.00
Nov. 1.	Warrants presented for payment in October	1,975.00
Nov. 1.	Balance available	$13,700.00

Further warrants have been drawn by the Bureau during November and December, 1915, as follows:

1915.		
Oct. 31.	Balance of appropriation	$8,400.00
Nov. 1–Dec. 31.	Warrants drawn by Bureau	2,050.00
	Balance shown by books of Bureau	$6,350 00

In other words, the Bureau has already drawn by warrants, which were discounted at banks, against the appropriation of $15,000 the amount of $8,650.

Because of the fact that the term of the present board will expire on April 30th, 1916, it would be entitled, if the yearly appropriation of $15,000 was apportioned over the whole year, only to that part applicable to the period from October 1st, 1915, to April 30th, 1916 (7 months), which is seven-twelfths of the entire amount, or $8,750, which, if contrasted with the amount ($8,650) already drawn in warrants, shows a necessity for great economy (!) during the remainder of the term.

Portion of appropriation applicable to period October 1, 1915, to April 30, 1916	$8,750.00
Warrants already drawn by Bureau up to December 31, 1915	8,650.00
Balance available to be drawn against up to April 30, 1916, if proportional method is adhered to	$100.00

The Work of the Bureau.

The published reports claim that a great deal of good has been done in advertising the agricultural advantages of Maryland and in inducing people to settle on its farms. The publications issued are excellent, and may have been an important factor in influencing people to come to Maryland. This part of the work should be continued in some form. We have been informed that the Secretary, in his report now in the hands of the printer, has recommended the engagement of an experienced publicity man to handle the work, thereby doing away with the Board of Commissioners.

The labor branch of the Bureau has been of service to farmers in providing help for them. The Federal Labor Bureau, however, covers the same field and for this reason there will be waste in the future if two bodies cover the same ground.

In the period May 1st to October 31st, 1915, $1,400 was expended in traveling and $1,000 in office expenses (postage, stationery, expressage and job printing). On account of the Bureau's exhibit at the exposition in San Francisco last year, the Secretary and one of the Commissioners made a trip there. Each was allowed by the board $500 for expenses. No formal report appears to have been made upon their return and the board does not appear to have requested one. The Secretary has been for a number of years in the habit of paying some of the expense items from a separate bank account, and as an accurate record has not been kept of every item, the amounts stated above for traveling and office expenses had to be estimated in part.

Summary of the Law and the Facts.

Established to encourage immigration to Maryland.

Governor, by and with advice of Senate, once in every two years appoints a board of immigration commissioners, three members, one being president and one State superintendent of immigration, and so designated in appointment; appointed for two years and until successors are duly qualified; State superintendent receives $2,000, payable quarterly, and the other two commissioners $500, payable quarterly, with actual expenses in attending meetings of board.

State superintendent gives bond to State of $10,000, with sufficient securities, to be approved by the Governor.

Office in Baltimore, where are kept maps and literature about agricultural and other resources of State; social, educational and other conditions of several counties, and advantages and inducements to be offered immigrants. Information is free.

Secretary speaks several languages, salary $1,200, bond $5,000, to be approved by the board of commissioners; keeps office open, takes care of files, books and papers; keeps the books, attends to correspondence, etc. Clerk to act as stenographer and typewriter, $600.

Board to collect information about counties in State; encourage organization of local boards, without pecuniary assistance from State board; assisted by County Commissioners in collecting data.

Board may make efforts to attract immigration from Canada or any of the States in Union. Board has power to make contracts with transportation companies for low rates to immigrants.

Monthly and special meetings of board; make an annual report to Governor for General Assembly, report containing an itemized statement of all receipts and expenditures (vouchers filed in office of Bureau), results attained, statistics of immigration, etc.

Statement of Receipts and Disbursements.

Six Months, November 1, 1913–April 30, 1914.

Credits.

Balance in Treasury November 1, 1913	$4,400.00
Cash in Bank	221.16
	$4,621.16

Charges.

Salary account	$3,005.00	
Office rent	275.00	
Printing	116.00	
Advertising	269.12	
Office expenses	685.00	
Board Meeting expenses	140.00	
Discount	2.50	
Telephone service	67.70	
Cash in Bank	60.84	
		$4,621.16

One Year, May 1, 1914–April 30, 1915.

Credits.

Cash in Bank May 1, 1914	$60.84
Appropriation for year	15,000.00
	$15,060.84

Charges.

Salary account	$5,924.00	
Office rent	715.00	
Printing	3,068.35	
Advertising	1,085.21	
Traveling	450.00	
Office furniture	7.50	
Office expenses (Postage, Stationery, Expressage, and Job Printing)	2,293.73	
Board Meeting expenses	250.00	
Discount	80.00	
Telephone	168.56	
Cash in Bank	718.47	
Remainder in Treasury	300.00	
		$15,060.84

May 1–October 31, 1915.

Credits.

Cash in Bank May 1, 1915	$718.47
In State Treasury	300.00
Appropriation for year	15,000.00
	$16,018.47

Charges.

Salary account	$2,850.00	
Office rent	330.00	
Printing	87.80	
Advertising	507.94	
Traveling	1,400.00	
Office furniture	150.86	
Office expenses (Postage, Stationery, Expressage, Job Printing)	1,000.00	
Board Meeting expenses	100.00	
Discount	134.06	
Telephone service	71.50	
Cash in Bank	986.31	
	$7,618.47	
Balance in Treasury October 31	8,400.00	
		$16,018.47

Salaries.

F. De Sales Mudd, Supt.	$3,000.00
W. H. Knowles, President	500.00
J. H. Waller, Commissioner	500.00
John A. Tschantre, Sec'y	1,200.00
Miss E. A. Mullineaux, Stenographer.	
W. M. Lyon, Clerk.	

State Live Stock Sanitary Board.

The board is composed of three members, who are required to be engaged practically in the breeding of live stock, and is appointed by the Governor by and with the consent of the Senate, biennially, at such time as executive appointments are required by law to be made. They hold office until successors are appointed and qualified.

It is the duty of the board to protect the health of the domestic animals of the State from all exotic, contagious or infectious diseases, such as glanders in horses. For this purpose it has the power to establish, maintain and enforce such quarantine, sanitary or other regulations as are deemed necessary. Local boards of health are required to investigate all cases found by them and report to the State board. The board has authority to prevent animals coming into Maryland from other States which are believed to be affected with contagious or infectious disease or exposed thereto, and to detain same at any place for inspection or quarantine.

Each member of the board is paid $5.00 per day for time actually spent in discharge of duties, together with necessary expenses.

Governor also appoints a chief veterinary inspector, who holds his office and is paid a salary not exceeding $1,000 and traveling expenses, in the discretion of the Governor, to visit the stables of the city and counties wherever and whenever he believes contagious or infectious diseases exist. He has power to take whatever action is necessary to suppress disease, with consent of the board. He prescribes regulations covering destruction of infected animals and for disinfection of property where infection or contagiou occurred. All veterinarians must report cases of contagious or infectious diseases within 48 hours.

When it is necessary to kill infected animals, the value awarded by the appraisers is paid by the State. If dissatisfied with the award, the owner can appeal to the State courts. When necessary the board appoints such assistants to chief

veterinary inspector as are necessary to suppress any epidemic, and fixes their pay.

Diseased animals must be slaughtered under the direction of the inspector or assistants and the carcasses destroyed and not sold for food. Animals dying of any contagious or infectious disease are buried at least three feet deep, or burned, at the discretion of the owner.

Dairymen are required to register their cattle with the board and it is the duty of the board to inspect the premises where cows are kept at least annually; premises must conform to regulations prescribed by the law. Dairy cows and meat cattle imported into Maryland must be inspected by the board and passed.

Appropriations.

By Chapter 519 of 1888, $3,000 is annually appropriated for the expenses of the board, including the "per diem" of the members ($5) and "necessary expenses," such as rent, printing, counsel fees, etc. This appropriation is available April 1st of each year. By 306 of 1898, $3,000 is annually appropriated for the inspection of premises where cows are kept and giving certificates where rules have been complied with and the registration of dairy herds. This appropriation is available April 7th of each year. By 386 of 1914, $15,000 is appropriated for "salaries and expenses of veterinary inspectors and for the appraised value of animals or buildings destroyed to prevent the spread of infections or contagious diseases among live stock." This appropriation is for the State fiscal year ending September 30th, 1915. In this act $3,000 is appropriated for dairy inspections (in addition to the permanent appropriation), also for the year ending September 30th, 1915. By 692 of 1914, $15,000 is appropriated for the purpose of paying the value of slaughtered animals after appraisal and also to pay a live stock patrol along the State borders. This appropriation is for the year from April 10th, 1914, to April 9th, 1915.

APPROPRIATIONS AND DISBURSEMENTS FOR FISCAL YEAR ENDING SEPTEMBER 30, 1915, TAKEN FROM STATE COMPTROLLER'S LEDGER.

	Dairy Inspection (306/1898).	General Expenses (519/1888).	Border Patrol (692/1914).	Veterinary Inspectors, and Animals and Property Destroyed (386/1914).	Dairy Inspectors (386/1914).
Balance brought forward October 1, 1914.....	$3,000.00	$1,521.19	$12,691.67	.....	.....
Appropriation	3,000.00	3,000.00	15,000.00	$15,000.00	$3,000.00
Totals	$6,000.00	$4,521.19	$27,691.67	$15,000.00	$3,000.00
Expended	4,759.05	1,472.63	22,116.54	*17,967.86	.....
Reverted to State Treasury	.....	331.64	249.25	32.14	.....
Carried forward on September 30, 1915	1,240.95	2,716.92	5,325.88	.....	.....
	$6,000.00	$4,521.19	$27,691.67	$18,000.00	.....

*On account of being in same appropriation (386/1914), the expenditures for the last two appropriations were included together on Comptroller's books.

A comparison of data taken from the books of the board with the expenditures shown on the Comptroller's books reveals the following discrepancies for year ending September 30th, 1915:

	Board.	Comptroller.
State Live Stock Sanitary Board (General Expenses)	$2,154.48	$1,472.63
Dairy Inspections.....	4,759.00	4,759.05
Border Patrol.....	19,336.72	22,116.54
State Veterinarian (Veterinary Inspectors, etc.)	17,561.73	17,967.86
	*$43,811.93	$46,316.08

*This discrepancy is largely due to the fact that one set of vouchers sent to the Comptroller's office in June, amounting to $2,724.65, do not appear on the board's books nor in the statement to be submitted in their report for the two years ending December 31, 1915.

ANALYSIS OF EXPENDITURES, OCTOBER 1, 1914, TO SEPTEMBER 30, 1915.

	Services.	Expenses.	Animals and Property Destroyed.	Totals.
306/1898 and 386/1914, Dairy Inspections	$4,036.33	$1,391.34	.....	$5,427.67
519/1888, General Expenses of Board	751.00	721.63	.....	1,472.63
692/1914, Border Patrol (also for appraised value of animals destroyed)	6,798.19	4,921.92	$10,396.43	22,116.54
386/1914, Veterinary Inspectors, and animals and property destroyed	5,753.21	10,121.75	1,424.28	17,299.24
	$17,338.73	$17,156.64	$11,820.71	$46,316.08

The total expenditures shown for the general expenses of the board and the Border Patrol agree with the expenditures as shown by the State Comptroller's ledger.

In regard to dairy inspection and veterinary inspectors, the vouchers on file in the Comptroller's office at Annapolis were so indefinite and contained so little information that, in the time at our disposal, we were unable to determine definitely the purpose of some of the expenditures. The expenses on account of the cost of burying animals destroyed are included in column headed expenses.

Vouchers Omitted from Board's Records.

Analysis of the vouchers included in this set, as far as we could ascertain, would indicate a division among the four accounts of the board as follows:

General Expenses	$144.48
Dairy Inspections	127.45
Border Patrol	1,530.70
Veterinary Inspectors, etc	922.02
Total (omitted on Board's books)	$2,724.65

An Appropriation Used for Other Purposes than Provided by Law.

The above clearly shows that, although Chapter 386, 1914, specifically provided $15,000 for veterinary inspectors and animals and property destroyed, together with $3,000 additional for dairy inspections, the board has used the latter appropriation for the former purpose.

Payments to Members of the Board.

	Harry P. Skipper, President.		Hart B. Noll.		C. W. Melville, Secretary.	
1914.	Services.	Expenses.	Services.	Expenses.	Services.	Expenses.
October	$105.00	$96.48	$85.00	$67.80	$105.00	$84.50
November	150.00	131.48	120.00	104.35	155.00	89.00
December	150.00	203.60	135.00	103.21	185.00	93.55
1915.						
January	160.00	139.25	125.00	94.58	175.00	90.00
February	130.00	158.22	95.00	71.35	155.00	98.25
March	125.00	109.64	115.00	103.45	160.00	83.55
April	125.00	116.50	105.00	73.45	*165.00	84.45
May	120.00	115.30	105.00	108.44	160.00	88.95
June	135.00	118.00	80.00	53.45	155.00	89.60
July	125.00	112.00	75.00	53.45	145.00	82.49
August	125.00	113.70	85.00	66.45	145.00	89.60
September	130.00	120.00	95.00	74.95	145.00	89.50
	$1,580.00	$1,534.17	$1,220.00	$974.93	$1,850.00	$1,063.44

Summary.

	Services.	Expenses.	Total.
Harry P. Skipper, President	$1,580.00	$1,534.17	$3,114.17
Hart B. Noll	1,220.00	974.93	2,194.93
C. W. Melville, Secretary	1,850.00	1,063.44	2,913.44
	$4,650.00	$3,572.54	$8,222.54

*One voucher dated April 21, 1915 (No. 3790), was entered as 13 days ($65), but extended as $85, an error of $20, which does not appear to have been discovered when payment was made.

The vouchers of the board members state services for so many days at $5.00 a day, the regular rate. The service they were engaged on was not specified nor where they were engaged in superintending the work of the board.

The vouchers sent in by C. W. Melville for his services include charges for "office work" amounting to as high as $45.00 a month, besides the regular per diem of $5.00 a day. This accounts for the fact that he has charged in some months for more days than there were in the month.

All four accounts for which appropriations were made show charges on account of services and expenses of the members of the board.

Expenditures of the Board.

The office of the State Comptroller has experienced a great deal of trouble with the board on account of the fact that there was not enough information to indicate what appropriation they in reality referred to. It also appears, after our examination of the vouchers on file in the Comptroller's office for the fiscal year ending September 30th, 1915, that great laxity was shown by the board in authorizing the charging of numerous items against appropriations to which they ought not to apply.

Report for Two Years Ending December 31, 1915.

There is no provision of law for annual report; the board's reports cover the period of two years.

The report covering the period from May 1st, 1912 (when the present board went into office) to December 31st, 1913, mentioned the expenses for the 18 months ending October 30th, 1913. The present report will contain, as we are informed by the secretary of the board, a statement showing the expenditures from May 1st, 1914, to December 31st, 1915.

On inquiry into the reason for not including any account of the expenses from November 1st, 1913, to May 1st, 1914, the secretary was not able to give us a definite reason therefor. In view of the fact that the only public mention the board makes of its expenditures is through its biennial report, it would appear to be a mistake to show the expenditures for

part of the period without any indication or notation (when we made the inquiry) that they do not cover the entire two years.

Their statement shows unpaid bills as of December 31st, 1915, amounting to $29,755.67 on account of the State's share of the value of cattle destroyed which were infected with the foot-and-mouth disease. We understand that a bill is to be introduced in the Legislature this week asking for an appropriation to cover this liability. In view, however, of the lack of control of the State over the past expenditures of the board and the way in which they have manipulated their appropriations, it would appear advisable that a complete investigation should be made into the past operations of the board.

State Veterinarian.

The present incumbent, Lawrence Hickman, is engaged in the veterinary business at 120-22 N. High street, Baltimore. In addition to his regular salary of $1,000 he receives through his monthly expense accounts $25 a month for rent of his office at the above address, and also $50 per month for team hire, in spite of the fact that his monthly statements for the year ending September 30th, 1915, show that he was away from Baltimore from one-half to two-thirds of each month.

The secretary of the board stated that they "had no real authority over the work carried on by the State Veterinarian, but that they had to approve his expenditures each month."

Commissioners of Fisheries.

Requirements of Law.

1904, Art. 39, Sec. 90; 1888, Art. 39, Sec. 79; 1874, Ch. 150, Sec. 1.

Governor, by and with advice and consent of Senate, biennially appoints two persons, for terms of two years from appointment, and until successors are appointed, one coming from Eastern and one from Western Shore of State.

Sec. 91; Sec. 80; Sec. 2. Duty of commissioners to inspect waters of State to stock same with food fishes most advantageously.

Sec. 92; Sec. 81; Sec. 3. Duty to erect suitable houses and devices for hatching fish, and then distributing them as needed.

Sec. 93; Sec. 22; 1898, Ch. 497, Sec. 1. Duty to destroy eels by all means possible. One-fourth of appropriations to be used in destroying eels in Wicomico river.

Sec. 96; Sec. 85; Sec. 4. Eels which are caught and killed are to be sold at greatest possible price and any surplus after expenses is to be retained by fish commissioners as part of salary.

Sec. 98; Sec. 87; 1874, Chap. 150, Sec. 4; 1876, Ch. 47. Annual report made to Governor of work accomplished and suggestions made.

Sec. 99; Sec. 88; 1874, Ch. 150, Sec. 5. Salaries of commissioners are $1,500 per year each; $3,000 being appropriated for salaries.

Sec. 100; Sec. 89; 1874, Ch. 150, Sec. 6; 1876, Ch. 47; 1890, Ch. 189. $10,000 is appropriated for expenses; commissioners to make annual report of all receipts from State and all disbursements with vouchers.

Summary. October 1, 1914, to September 30, 1915.

Appropriations:		
For Salary	$3,000.00	
" Expenses	7,000.00	
" Propagation—West Shore	1,000.00	
" Trout Nurseries	500.00	
" Propagation—East Shore	2,000.00	
		$13,500.00
Less Reverted to Treasury:		
West Shore	$2,000.00	
East Shore	500.00	
		2,500.00
Net appropriations		$11,000.00

Commissioners' Report.

	East.	West.	Total.
Cash on hand October 1, 1914	$142.70	$1,011.08	$1,153.78
Appropriation	5,000.00	3,000.00	8,000.00
Interest on balance	15.70	.....	15.70
*Salary	1,500.00	1,500.00	3,000.00
	$6,658.40	$5,511.08	$12,169.48
Expenses as per annexed sheet	$5,050.12	$2,385.70	$7,435.82
*Salary paid	1,500.00	1,500.00	3,000.00
	$6,550.12	$3,885.70	$10,435.82
Balance in Commissioners' hands October 1, 1915	$108.28	$1,625.38	$1,734.66

*Not included in Commissioners' Financial Statement.

Expenses Fish Commissioner, Eastern Shore.

Fiscal Year 1915.

	Salaries.	Expenses.
Tuckahoe Station	$1,814.15	$559.09
Berlin Station	360.00	112.56
Salisbury Station	860.00	109.18
Sharptown Station	460.00	398.61
Commissioner (?)	200.00	176.53
	$3,694.15	$1,355.97

Expenses Fish Commissioner, Western Shore.

Druid Hill Hatchery	$929.50	$427.49
Deputy Fish Commissioner	900.00	14.62
Commissioner	.....	114.09
	$1,829.50	$556.20

Salaries.

Commissioner Eastern	$1,500.00
Commissioner Western	1,500.00

State Game Warden.

1904, Art. 99, Sec. 35; 1896, Ch. 293, Sec. 1; 1904, Ch. 346, Sec. 1.

Appointed by Governor on April 10th, 1896, and every two years thereafter; term is two years or until successor is appointed. Salary is $1,200 and $600 for traveling and other

expenses. Receives a portion of fines arising from violation of game and fish laws when offenders are prosecuted by game warden, or deputy game wardens. May be removed by Governor for cause.

May appoint deputy game wardens where necessary; these receive such compensation from fines collected or otherwise, as agreed on with game warden. 1904, Art. 99, Sec. 37; 1896, Ch. 293, Sec. 3; 1904, Ch. 346, Sec. 3.

1904, Art. 99, Sec. 42; 1896, Ch. 293, Sec. 8. Where prosecutions are instituted by game warden or deputies, the fines collected, after court costs are paid, are paid to game warden as compensation.

1904, Art. 99, Sec. 45; 1896, Ch. 293, Sec. 11. Game or fish in unlawful possession when seized are to be sold and proceeds, less costs of justice and constable, divided as follows: one-half to game warden for his services and one-half to county or city treasurer for benefit of school fund.

1904, Art. 99, Sec. 48; 1896, Ch. 293, Sec. 14. May call on State fishery force for assistance and also on State's Attorney and sheriffs of counties or Baltimore City.

Vouchers in Comptroller's Office, Fiscal Year to September 30, 1915.

Date.	Salary.	Office Expenses.	Deputy Game Warden's Expenses.	Printing.	Total.
11/2	$100.00	$21.75	$40.00	$24.50	$186.25
12/1	100.00	.....	.....	.....	100.00
12/5	.....	38.30	149.15	.....	187.45
12/22	100.00	.....	.....	.....	100.00
12/-	.....	43.30	74.50	.....	117.80
2/1	100.00	54.25	41.45	.....	195.70
3/1	100.00	.....	.....	.....	100.00
3/19	.....	14.26	21.45	.....	35.71
4/1	100.00	31.25	40.49	.....	171.74
5/1	100.00	15.95	76.39	.....	192.34
6/1	100.00	41.95	.....	.....	141.95
7/1	100.00	7.70	27.65	.....	135.35
8/-	200.00	170.93	.....	59.00	429.93
9/30	100.00	79.50	.....	.....	179.50
	$1,200.00	$519.14	$471.08	$83.50	$2,273.72

Reports.

Last report published covered period from August 11th, 1913, to December 31st, 1913. Made recommendations for game laws, etc. (Report soon to be published for 1914 and 1915.) Comments upon "Violations of Laws" and "Lack of Funds." Notes poor work of deputies and quotes much larger appropriations for protection of fish and game in other States. Also publishes pamphlet "Game and Fish Laws of Maryland," 1914 and 1915.

State Roads Commission.

This Commission, which was created in 1908, had, up to the first of January, 1916, completed over 1,200 miles of State roads and State-aided roads. Financed through bond issues, appropriations out of the State Treasury, collections from motor vehicle licenses and some miscellaneous receipts, it has since its organization to January 1st, 1916, paid out $16,842,855.12.

The funds of the Commission have been carefully guarded, 2½% has been received on bank balances (the Commission maintains 98 bank accounts) and it will be noted that $146,996.28 has been received from interest. It has also taken advantage of discounts to the extent of $50,000.

The annual report of the Commission to January 1st, 1916, is not yet completed, but it has furnished us with the accompanying figures of transactions up to and its condition on that date.

May 19, 1908–December 31, 1915.

Receipts.

Proceeds of bonds sold	$15,415,400.32
Appropriations from the Treasury	1,725,000.00
Motor Vehicle licenses	822,477.57
Total receipts	$17,962,877.89

EXPENDITURES.

Overhead	$606,016.78
Construction	14,427,475.57
Maintenance	1,357,069.96
United Railways and Electric Co. construction	343,977.72
Equipment	84,082.27
Interest	19,430.45
Miscellaneous	4,802.43
Total expenditures	$16,842,855.18

TRIAL BALANCE, DECEMBER 31, 1915.

ASSETS.		LIABILITIES.	
Cash	$1,366,866.72	State Road Fund	$635,083.65
Petty Cash	35.00	State-Aided Road Fund	354,459.09
Paymaster's Cash Fund	50,097.92	Road and Bridges Fund	402,434.97
Pay Roll Cash Fund	3,250.00	State Road No. 1 Fund	21,962.66
Office Furniture and Fixtures	2,385.41	Current Liabilities	?
Mileage:		Conowingo Bridge	9,000.00
B. & O. R. R.	341.31	Bonds due 1924	
W. M. R. R.	114.49		
Md. & Pa. R. R.	1.20		
Penna. R. R.	413.11		
F. & L. Non-collectible accounts	337.61		
	$1,423,840.37		$1,423,840.37

(?) Not exhibited.

INSURANCE DEPARTMENT.

The Insurance Department is one of the largest revenue collecting agencies of the State. During the year ended November 30th, 1915, the revenue collected and expenses incurred were as follows:

Revenues:		
Taxes on premiums		$261,870.80
Licenses to Companies		33,408.32
Licenses to Insurance Brokers		7,966.67
Licenses to Insurance Agents and for furnishing certificates, copies, etc		45,438.54
Fees on Insurance Brokers' licenses		87.00
Unauthorized insurance		392.04
Interest on deposits		4,123.65
Miscellaneous		5.30
Total revenue collected		$353,292.32

Expenses:		
Salaries—		
Commissioner	$2,499.99	
Deputy Commissioner	2,250.00	
Examiner	1,500.00	
Counsel	999.99	
Auditor (Salary $1,000 per annum)	944.44	
Clerical assistants—one at $1,800, two at $1,200 and two at $960	6,120.00	
Actuary (Retainer)	500.00	
Total salaries	$14,814.42	
Office expenses, including rent, printing, postage, stationery, supplies, etc	9,632.59	
Total expenses chargeable to the State		24,447.01
Net revenue to the State		$328,845.31

The cost of the examination of companies and of the valuation of policies is borne by the companies, but the cost of same is paid by the Commissioner and then collected from the companies. The expenditures and receipts on this account during the last fiscal year were as follows:

Expenditures:		
Examinations of Companies		$12,994.78
Valuation of policies		2,450.00
Sheriffs' fees		39.50
Total "reimbursible" expenditures		$15,484.28
Collections:		
Examinations of Companies	$2,670.59	
Valuation of policies	2,270.00	
Sheriffs' fees	42.50	
Total collections of "reimbursible"		$4,983.09
"Reimbursible" expenditures uncollected November 30, 1915		$10,501.19

SUMMARY OF BUSINESS, 1915.

Net revenue to the State (see above)	$328,845.31
Excess of reimbursible expenditures over collections of same	10,501.19
Cash turned into the State Treasury	$318,344.12
As follows:	
February, 1915	$151,977.18
November, 1915	166,366.94
Total	$318,344.12

The law governing the Insurance Department provides (Sub. 10, Sec. 178, Art. 23, Code) that the Insurance Commissioner shall annually on the first day of December report to the Comptroller the fees received and the expenses of his department for the year then to end, and pay into the Treasury all excess of receipts over disbursements. While the word "fees" is used in this provision and it is from these that the expenses of the department are paid, the department interprets the provision to mean that the turnover of its entire net receipts is only required once a year (December 1st). Last February, when the State was particularly in need of funds, the Commissioner turned in at the request of the Comptroller and Treasurer $151,977.18 on account of the year's receipts. No further funds were turned in until the end of the year (November 30th), when final settlement was made, payment being $166,366.94. Practically all of this money had been on hand since the end of March, the receipts and disbursements after that time being about equal. This money was all "general revenue," and had it, and similar money, been in the Treasury at the close of the State's fiscal year (September 30th), the deficit in the "dedicated funds" would not have occurred.

While this money was in banks drawing interest ($4,123.64 being received from interest on balances last year), it is our opinion that the proper place for it is in the State Treasury and that settlements should be made monthly with the Treasurer. We recommend that the present law be amended so as to provide for such monthly settlements.

The accompanying table exhibits the monthly receipts, disbursements and balances in the Commissioner's hands from December 1st, 1914, to November 30th, 1915, together with the amounts turned over to the Treasury.

RECEIPTS, DISBURSEMENTS, REMITTANCES TO STATE TREASURER AND BALANCE IN INSURANCE COMMISSIONER'S HANDS AT END OF EACH MONTH, DECEMBER 1, 1914, TO NOVEMBER 30, 1915.

1914.	Receipts.	Disbursements.	Paid State Treasurer.	Balance at End of Month.
December	$13,099.28	$3,848.82	.....	$9,260.46
1915.				
January	53,028.79	2,796.00	.....	59,493.25
February	234,229.53	6,966.70	151,977.18	134,778.90
March	34,724.85	3,369.56	.....	166,134.19
April	4,605.25	2,036.05	.....	168,703.39
May	8,075.19	2,338.70	.....	174,439.88
June	1,448.17	6,203.42	.....	169,684.63
July	1,293.93	2,084.46	.....	168,894.10
August	2,103.91	2,545.55	.....	168,452.46
September	906.17	1,914.67	.....	167,443.96
October	749.40	2,035.96	.....	166,157.40
November	4,080.94	3,871.40	166,366.94	.....
	$358,345.41	$40,011.29	$318,344.12	.....

Annual Report.

In our report to the Commission, upon State printing contracts, reference was made to the annual report of the Insurance Commissioner. This report contains over one thousand pages and costs about $5.00 a copy to print. The report consists almost entirely of financial statements of companies doing business in Maryland, some of which statements cover several pages. If the items contained in these statements could be somewhat condensed, it would be found feasible to arrange the information in tabular form and to consolidate the statements into a series of exhibits with the name of the company at the left and the figures arranged in columns with appropriate headings. If this be done, it will materially reduce the cost of publishing the report, which is now over $3,000 per annum. We suggest that the Insurance Commissioner be requested to consider this suggestion and advise the Commission concerning the practicability of publishing in this form the statements of companies (other than Maryland corporations) doing business within the State.

Protection of Industrial Welfare.

The State now maintains four distinct agencies for administering the laws relating to the industrial life of its citizens. These organizations comprise:

The Industrial Accident Commission.
The Bureau of Statistics and Information.
The Ten-Hour-Law Bureau.
The Mine Inspector for Allegany and Garrett Counties.

Two more agencies, in a somewhat more limited sense, may be included in this classification, viz:

Inspector of Boilers.
State Fire Marshal.

The heads of all the above organizations are appointed by the Governor, but the organizations themselves, the work of which so vitally concerns the industrial welfare of the people of Maryland, all operate entirely independent of each other.

Briefly sketching the scope of work and cost of conducting these agencies, we describe them as follows:

State Industrial Accident Commission.

The State Industrial Accident Commission on November 1st, 1915, completed the first year of its existence, having been authorized by the General Assembly of 1914 to administer the new Workmen's Compensation Act.

There are three commissioners at $5,000 each (of which $2,000 is paid by the City of Baltimore), a secretary at $2,500, and 28 other officers and employees, whose compensation ranges from $1,800 for assistant counsel down to $364 for an "office assistant." The total salary roll according to the annual report is $47,072 and the expenses for the first year, exclusive of salaries, was $23,523.11, of which more than one-third was incident to the establishment of the Commission (furniture, fixtures, stationery, printing, etc.) and $3,866.66 was for rent.

The Bureau of Statistics and Information.

This Bureau was created in 1884, and its function, as originally contemplated, was, as its title indicates, to collect and publish statistics and information on various subjects affecting the State, such as condition of labor, agricultural conditions, mineral products, manufacturing industries, transportation companies, etc., and to maintain a free employment agency.

In 1904 a legislative act extended its activities to the settlement of controversies between employers and employees, and in 1906 it was charged with the administration of the child labor laws. These later duties have gradually become the chief work of the Bureau, and its original function seems to have been practically abandoned, as there is no reference to the earlier work in the last annual report (1914), 215 pages of which are devoted to child labor, 35 to factory inspection and 20 to strikes. The Bureau seems, therefore, to have become a purely industrial organization.

The personnel of the Bureau consists of a chief at $2,500, an assistant chief at $1,600, a stenographer at $900, three inspectors (factories) at $1,000, one of which does not put in full time; the active work on the child labor laws is handled by a permit officer at $1,200, seven inspectors at $1,000 each, two physicians at $1,250 each, and two clerks, one at $720 and one at $480. This gives a total salary roll of (approximately) $19,900. The total expense for salaries in 1914 was $18,293.35. Its rent costs $1,620, and its office expenses (printing, stationery, postage, supplies, telephone, etc.) are from $2,500 to $2,700. Traveling expenses, physician's fees and other outside items bring the cost of the Bureau's work up to $26,000 to $27,000 a year.

Ten-Hour-Law Bureau.

This Bureau was created by the General Assembly of 1912 to administer the laws governing the hours of female labor. It is entirely independent of the Bureau of Statistics, though

engaged in very similar work. It is composed of one chief inspector at $1,200 and two assistant inspectors at $900 each, all of whom are appointed by the Governor for four years. There is also an office assistant. The cost of the administration of the Bureau in 1914 was, salaries, $3,494.56; rent, $424.50; travel, $258.78, and office expenses, $569.71, a total of $4,747.55.

Mine Inspector for Allegany and Garrett Counties.

This office was created by the General Assembly in 1902. The Inspector is required to examine bimonthly the mines in Allegany and Garrett Counties, to see that the mining laws are obeyed and to report annually to the Governor the result of his inspections and of all accidents in the mines.

The last annual report of the Inspector which we have at hand (May 1st, 1914) contains no financial statement, but there was charged against the appropriation for the Mine Inspector on the Comptroller's books during the fiscal year ended September 30th, 1915, $2,359.89, of which the Inspector's salary was $1,500.

Here, then, we have four different agencies engaged in administering the laws guarding the rights of those who must labor, particularly women and children—in other words, the laws for Industrial Protection.

It must be apparent that four different agencies, all engaged in substantially the same broad work, but operating independently of each other, cannot render so effective service at so low a cost as one organization, with one governing head, developed on scientific lines and whose corps of investigators do not overlap each other in their activities.

How much could be saved by the consolidation of all these offices into one organization, an *Industrial Commission*, cannot be accurately stated. The State Industrial Accident Commission would naturally be the department into which the others should be merged, and it would seem entirely conservative to estimate the savings in overhead salaries, clerks, stenographers,

inspectors, rent, printing and other office expenses at not less than $10,000 a year. But the benefit of consolidation cannot be measured alone in dollars and cents, because the centralization of authority, the concert of action, the devotion of one organization to one great fundamental purpose, must make for greater efficiency within the organization itself, and greater convenience to the people with whom it must come in contact.

Steam Boiler Inspection.

There are two inspectors of steam boilers, appointed biennially by the Governor at a salary of $1,500 each, but whose duties are confined to the inspection of boilers in the City of Baltimore. The act under which they operate, which is a part of the Baltimore City Code (pages 196-203), was passed in 1871 and amended in 1888. The inspectors are authorized to make the following charges for inspection: For every boiler of 10 horse power or less, $5; above 10 horse power, $5 for the first 10 and 25 cents additional for each horse power in excess of that number. Those boilers which are insured and inspected by steam boiler insurance companies are not required to be inspected by the State officials, but a fee is required to be paid the State by the insurance companies of $1 for each boiler insured by them, unless more than one boiler is insured for the same concern, when the fee is $1 for the first five boilers and $1 for each additional five or fraction thereof. Before the days of steam boiler insurance this inspection was a source of revenue to the State, but of later years it has been an expense, as the receipts do not equal the cost of the service.

The following exhibit shows the revenue and cost of maintaining this service for the year ended October 31st, 1915, and the number of boilers inspected. These figures are taken from the quarterly reports filed with the Comptroller, in which there are detailed statements of work done, collections made and expenses.

Expenses.	Inspector Bryan.	Inspector Biddinger.	Total.
Salary	$1,500.00	$1,500.00	$3,000.00
Car fares	99.85	143.63	243.50
Office expenses, including bond	146.53	86.34	232.87
Hauling, labor, etc.	142.00	162.00	304.00
Total expenses	$1,888.38	$1,891.99	$3,780.37
Receipts:			
Boiler inspection	$493.75	$577.75	$1,071.50
Insurance Companies	558.00	558.00	1,116.00
Total receipts	$1,051.75	$1,135.75	$2,187.50
Deficiency	$836.63	$756.24	$1,592.87
Number of boilers inspected	77	93	170

We note that the amount expended for car fare averages about $1.45 for each boiler inspected.

As the number of boilers inspected by each inspector averaged less than two a week, it would seem that the work would not be excessive if only one inspector was authorized. By so doing and consolidating with or using the same office as the State Fire Marshal, one clerk (which the Fire Marshal now has) could look after office matters for both. Such a consolidation would save at least $1,700 and make the office, on the basis of present business, more than self-sustaining.

As the work of the inspectors is confined to the City of Baltimore, we also raise the question as to whether it might not be advisable to turn this department over to the city government.

State Fire Marshal.

The office was established in accordance with the provisions of Chapter 248, Acts of 1894. He is appointed biennially by the Governor, by and with the advice and consent of the Senate, and holds office until his successor is duly appointed and qualified.

It is the duty of the Fire Marshal, or his deputy, to examine into the causes and circumstances of all fires which are classed

as "unknown" or about which there appears to be anything suspicious. He has authority to take testimony of witnesses and, where necessary, make arrests, co-operating with State's Attorneys in all trials. No reports to owners or insurers regarding examinations made. He also has the right to inspect buildings and order proper fire escapes or means of exit.

Expenses of the office shall not exceed $10,000 a year and are paid out of moneys paid into State offices on account of insurance companies doing business in the State. Treasurer on warrant of Comptroller pays over $5,000 on Marshal qualifying and $5,000 every six months during term. He receives a salary of $2.500 per year and his deputy $1,500. The clerk receives $1,200 a year. He may employ other assistants when needed, and is allowed traveling, hotel and other necessary expenses outside of Baltimore. At the end of each year from date of qualification he renders, under oath, a report to the Comptroller of the receipts and disbursements during the year (in 1914 and 1915 on May 3rd) and returns the balance of the $10,000 unexpended, filing vouchers for the disbursements.

During the two years ending May 3d, 1914, the traveling and other expenses in connection with the actual investigation of the fires themselves, taken from the report to the State Comptroller, were as follows:

Year ending May 3, 1914 (807 fires)	$3,104.26
Year ending May 3, 1915 (864 fires)	3,311.08

Of the above, the Fire Marshal and his deputy drew the amounts below (the remainder being spent for other assistants).

	1914.	1915.
Fire Marshal	$2,297.67	$2,787.60
Deputy Fire Marshal	665.03	342.30

The vouchers returned in support bear the notation "Investigations," and there is no indication thereon as to the particular investigation covered by the voucher and accompanying check. The Fire Marshal drew out several times during each month round sums and at the end or the first of the next month an odd amount which may have been the balance of

the amount spent during the month. However, on account of the lack of information as to the details of the various disbursements, we were unable to determine anything further in connection with them.

In addition, the Fire Marshal received $106.15 on account of expenses incurred inspecting fire escapes and $16.87 for inspecting buildings during the year ended May 3d, 1915.

Conservation of Natural Resources.

Few States in the Union have been endowed by nature with as great food resources as Maryland, but it has only been in recent years that a realization of the urgent necessity for the conservation of this valuable supply has called for numerous legislative acts.

During the fiscal year ended September 30th, 1915, nearly $130,000 was drawn out of the Treasury for conservation work, of which about $110,000 was devoted to fish, shellfish and oysters. About $20,000 was devoted to forests, game and the work of the Geological Survey.

The following are the State agencies engaged wholly or in part in conservation work:

a. Two Commissioners of Fisheries.
b. State Fisheries Force. (The "Oyster Navy.")
c. Shellfish Commission.
d. State Game Warden.
e. State Board of Forestry.
f. State Geologic and Economic Survey.

The activities of the first three of the above are confined exclusively to the waters of the Chesapeake Bay and its tributaries, except the Fish Commissioner for the Western Shore, who distributes fish from the hatcheries to some of the Western streams.

Without going into great detail the following are brief statements of the activities of each of the above agencies:

Commissioners of Fisheries.

This Commission was established under the provisions of Chapter 150, Acts of 1874. The Governor, by and with the advice and consent of the Senate, appoints two Commissioners biennially, one from the Eastern Shore and one from the Western Shore.

Each Commissioner has charge of the work in that part of the State in which he resides, and superintends the propagation and culture of food fishes in the fish hatcheries and stations in his section. He stocks the waters of the State with such food fishes as are deemed most advantageous. An annual report is made to the Governor of the work accomplished.

Each Commissioner receives a salary of $1,500 a year, and in addition the general appropriation acts for the years ending September 30th, 1914, also 1915 and 1916, provide $7,000 for expenses, together with $2,000 for propagation of fish on the Eastern Shore and $1,500 for the Western Shore. Requisitions are made from these appropriations for payments as they are needed.

Each Commissioner annually renders to the State Comptroller a report of his receipts and disbursements, accompanied by vouchers, which we have found to be in regular form and to carry sufficient information for audit.

In addition to their salaries, the Commissioners disbursed during the regular fiscal year of the State ending September 30th, 1915, as follows:

Commissioner of the Eastern Shore.

	Services.	Expenses.
Tuckahoe Station	$1,814.15	$569.09
Berlin Station	360.00	112.56
Salisbury Station	360.00	109.18
Sharptown Station	460.00	398.61
Commissioners (for office help)	200.00	176.53
	$3,694.15	$1,355.97

Commissioner of the Western Shore.

	Services.	Expenses.
Druid Hill Hatchery	$929.50	$427.49
Deputy Commissioner	900.00	14.62
Commissioner	.....	114.09
	$1,829.50	$556.20

State Fisheries Force.

The State Fisheries Force has as its managing head a Commander, who directs the movements and work of about a dozen vessels in the Chesapeake Bay, popularly known as the Oyster Navy, engaged in watching for violations of the Oyster and Shellfish laws.

The cost of maintaining the Fisheries Force is paid from the revenues of the Oyster Fund which are derived from inspection fees, various kinds of oyster licenses and payments from three counties of the State.

These revenues last year totaled $72,574.65, practically all of which was expended in the operations of the boats.

Records in the headquarters of the force at Annapolis of the cost of operating each one of the boats.

The Commander also employs and directs the work of the General Measurers and Inspectors of Oysters.

There are five regular inspectors in Baltimore at $100 a month, and as many more in some of the counties bordering on the Chesapeake Bay at $50 a month. Special inspectors are also engaged at $45 a month. There were 31 of these on the December, 1915, payroll.

These inspectors do not work during the summer months. They collect the fees for measuring and inspecting (these amounted to $44,691.46 last fiscal year) and the salaries of the inspection force was $12,488.49; the balance, $32,202.97, was transferred to the Oyster Fund.

Shellfish Commission.

The Commission was created by the General Assembly in 1906. The board consists of three members, two of which are residents of the tidewater counties of the Eastern Shore and Western Shore, and the third a resident of Baltimore. They are appointed by the Board of Public Works, their terms running for two years from the first Monday in May after their appointment. One of the members is designated by the Board

of Public Works as president, with $2,000 yearly salary, the other two members receiving $1,800 a year. The salary of the chief clerk is fixed at $1,200 a year.

The Commission was established for the purpose of surveying the oyster lands in the waters of the State of Maryland, and to lease these lands under fixed rental fees for a term of 20 years. Numerous complaints have arisen since the survey was completed that it was, to a great extent, inaccurate and faulty because lands were included which should not have been included. Extensive resurveys have been made at considerable cost to the State with the result that a good many leases were canceled. This has led to considerable legal trouble and heavy judgments against the State.

The regular appropriation is $9,800 for the fiscal year ending September 30th for the salaries and expenses of the board. In addition, Chapter 703, Acts of 1914, provided a special appropriation of $15,000 for expenses. This appears to have been intended to cover the necessary expenditures in connection with the resurveys. Besides these appropriations there are received rents from lands and fees for applications, surveys, recording papers, etc. For the past three fiscal years these have been as follows:

Receipts.

October 1, 1912, to September 30, 1913	$10,451.71
October 1, 1913, to September 30, 1914	5,467.96
October 1, 1914, to September 30, 1915	4,127.22

These receipts have been deposited and used by the Commission. No report of them is made to the State Comptroller regularly.

The salaries of the Commissioners and of the chief clerk are paid by the State Treasurer each month, and warrants are drawn one or more times each year for money to cover expenses. These amounts are deposited by the treasurer of the Commission in his banks (two at present) and disbursed on authorization of the Commission. No interest is received on these deposits, although the balances on hand at the end of

each year, taken from Commission's reports, appear to be large enough to warrant the credit of interest by the banks.

The total funds available for the use of the Commission during the year ended September 30th, 1915, was $34,343.88 (including $20,416.66 balance from previous year) and the total expenditures were $22,227.19.

The question arises whether the work is so organized that the overhead expenses of the Commission (about $7,000), including salaries, rent and other expenses, are out of proportion to the cost of the field work ($15,000). We have no data sufficient to come to a conclusion on this point.

State Game Warden.

This office, created in 1896, is charged with the administration of the Game Laws. The salary is $1,200 and the expenses for travel, printing and deputies is about $1,000 more. Judging from the last annual report (1913) conscientious endeavor seems to have been made to administer the duties of the office, under an appropriation quite inadequate for a proper enforcement of the Game Laws.

(See preceding figures from vouchers, etc., page 32.)

State Board of Forestry.

This is a non-salaried board created in 1906, and consists of the Governor, Comptroller, President of Johns Hopkins University, President of the Maryland State Agricultural College, State Geologist, and two citizens, one interested in forestry and the other a practical lumberman. Members of the board receive by law actual expenses incurred in duties.

They appoint a State Forester at not exceeding $2,000 salary. He has charge under the board of all forest reserves, enforces the forest laws, takes measures for fire protection, and generally supervises all matters pertaining to forestry within the State.

The board receives an annual appropriation of $10,000 for its expenses, including the State Forester.

State Geologic and Economic Survey.

This is a non-salaried board created in 1896, composed of the Governor, the Comptroller, the President of Johns Hopkins University and the President of the Maryland Agricultural College.

The active work of the board is carried on under the direction of a State Geologist appointed by it. Appropriations amounting to $15,000 are annually available for the work of the board, which covers an examination of the geological formation of the State, soil classification, physical features with reference to practical bearing upon occupations, preparation of geologic and economic maps showing the State's resources, and consideration of other pertinent scientific and economic questions.

The board files with the Comptroller semi-annual financial statements. Those covering the year ended March 30th, 1915, showed expenditures totaling $17,963.26, of which $10,321.23 was for salaries, $3,370.65 for maps, $2,000 for a model of Maryland at the Panama-Pacific Exposition and the remainder for field and office expenses. A biennial report of the work of the board is submitted to the General Assembly.

Recommendations.

From our study of all of the foregoing organizations, we are of the opinion that the interests of the State would be promoted, some economies effected, and certainly more efficient service obtained if at least the oyster, shellfish and fish agencies and the game warden were consolidated into one organization. Such a unit might be properly termed a Conservation Commission. While the State Board of Forestry is also engaged in conservation work, the character of the latter is so different from the other agencies that perhaps little if anything would be gained by its inclusion in a Conservation Commission.

State Department of Health.

We have been unable in the short time which we had available to make a satisfactory examination of the various functions and bureaus of the Department of Health. We referred to the annual reports of the department in a previous report of ours to your Commission. In that connection it appears to us advisable to recommend that the report of the Bureau of Vital Statistics be published separately as soon as it is compiled each year. This report should be issued by the middle of the succeeding fiscal year and, as it contains admirable summaries and charts, it should be of great value to other States and cities, as well as to Maryland and Baltimore.

The total health activities of the State, which we have grouped under the title "Conservation of Health" in our large Budget-sheets previously submitted to you, comprise expenditures amounting to $110,000 in 1913-14 and to $185,000 in 1914-15.

The appropriation balances carried forward to the current year, 1915-16, amounted to $89,323.68 and the appropriations for 1915-16, now available, amount to $84,292.74 additional. These figures include the State Vaccine Agent and the Live Stock Sanitary Board, as well as the "Department of Health."

Board of Health.	*Expenditures* 1913–14.	1914–15.
Infectious Diseases	$3,500.85	$3,500.16
Vital Statistics	5,358.20	5,202.99
Chemical Laboratory	2,500.00	2,500.00
Food and Drink Examinations	2,288.51	2,711.51
Board's Expenses	2,029.40	1,999.89
Secretary's Salary	1,874.97	.....
Totals	$17,551.93	$15,914.55
Bureaus State Board of Health	$25,795.57	$22,488.11

Conclusion.

It is evident from what is set forth above that there is a great and immediate necessity for the installation of a complete modern system of accounting which, beginning with a

general State ledger in the Comptroller's office, shall extend outward and ultimately encompass and tie-in all the various departments and offices of the State Government to the general books in the Treasury. This can be accomplished without additional legislation except for the appropriation of money to pay for the work actually done and for the books, forms, and documents actually printed for use in the system.

Such an appropriation should be provided at once and a contract entered into by the Governor with competent public accountants for the preparation and installation of such a system. We ourselves are ready to undertake this work if it is desired to have us do so. Naturally, as we are fully informed concerning the requirements, we could do the work more effectively and economically to the State than it could be done by those who have not had this experience. Such an installation, if properly planned, will not interfere at all with the regular work in the Treasury. That work will go on as usual in the old books, and meanwhile we would open new books with a balance-sheet at the beginning of the fiscal year, October 1st, 1915, and then write up these new books month by month until they are brought down to the end of some month, say June 1st, 1916. Then, the old books having been closed as of the same date, the new books would supersede the old and the accounting thereafter would be carried on solely in the new books. From these new books the work would ramify outward to each of the departments and offices, which would be brought into line one after the other in much the same fashion as the general books.

An appropriation of thirty-five hundred dollars should be made to cover such work for the Treasury books and other important departments which act as collectors of revenue for the State. Additional appropriations may be required later to cover new methods in all other departments after they have been carefully investigated.

Very respectfully,

Harvey S. Chase,

Certified Public Accountant.

22789

END OF
TITLE